




Market Neutral Equity Fund

Quarterly Fund Factsheet

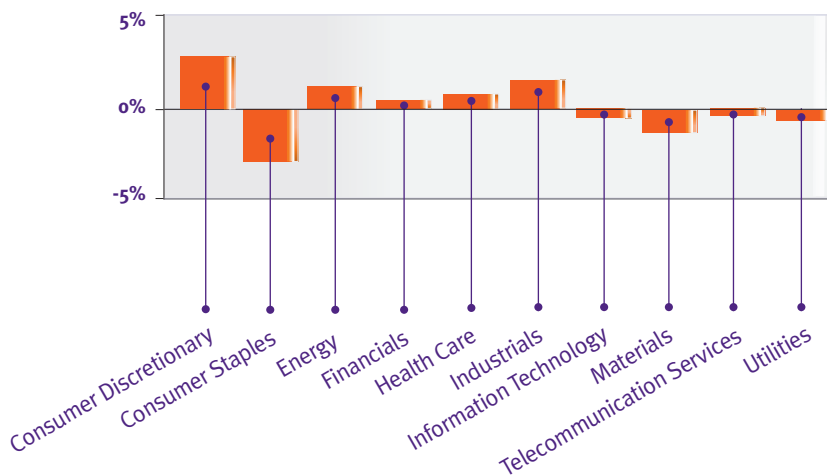
Quarter 1, 2012

Fund Snapshot

Size	€1,050M*
Strategy	Absolute Return
Positions	77
Regions Covered	 2
Currency	Euro hedged
Diversification	
Overall Risk rating	low  high
Annualised Volatility	1.02%

* This is the amount of assets held in the underlying fund, the Absolute Insight UK Equity Market Neutral Fund

Net Long and Short Exposure by Sector



Fund Performance Market Neutral Equity

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2012	0.20%	0.07%	-0.15%										0.13%
2011	0.45%	-0.09%	0.94%	0.06%	0.27%	0.33%	-0.03%	-0.47%	0.29%	-0.18%	0.00%	0.14%	1.72%
2010				0.19%	-0.07%	-0.13%	0.06%	0.17%	-0.18%	0.40%	0.23%	0.13%	0.83%

Source Moneymate March 2012

A performance fee applies to the Market Neutral Equity Fund of 10% of any growth above Cash (specifically, 3month Euribid which is 3 month Euribor minus 0.1%). The above performances are net of this performance fee.

Main Contributors to quarterly return

Talk Talk vs Spirent & Logica	-0.12%
BAE vs Rolls Royce & Cobham & Capital Shopping	-0.11%
Petrofac vs Wood Group & Smiths Group	0.10%
Premier Oil & Nautical Petroleum & Enquest & Ophir vs Market	-0.08%
Total vs Royal Dutch Shell A & ENI & MDAX	-0.08%

Information source: Friends First, unless otherwise stated.
All figures quoted are as at 31st March 2012.

 **Friends First**
Looking forward to your future

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Market Commentary

The Fund outperformed its benchmark over the period under review, delivering positive returns with low volatility. Falls in volatility and correlations are starting to provide a more constructive market environment for the Fund. The managers are finding more opportunities and the indiscriminate nature of the recent rally is helping in this regard by creating anomalies in stock and sector valuations. The result of the managers' research so far this year has been to build a strong list of a dozen or so companies to which they are comfortable allocating more capital. These are diversified through different sectors and

a mix of value, cyclical and growth opportunities. They include long positions in companies such as Compass, which has defensive earnings growth and good restructuring momentum under CEO Richard Cousins, hedged with other consumer stocks where the earnings story is weaker. Ashtead is another addition and is a cyclical equipment hire company with very strong earnings momentum. This has been hedged with FTSE 250 swaps. The result of increased position sizes and new additions is a higher overall gross investment level which is now around 80%.

Fund Summary

The Friends First Market Neutral Equity fund invests in the Absolute Insight UK Equity Market Neutral Fund. The Fund targets consistent, positive returns, in excess of cash, in all market conditions. The portfolio managers seek to achieve this objective by minimising unwanted market-related risks and isolating stock specific opportunities, using a technique known as 'pairing'. Based on fundamental, bottom-up equity research each position in the Fund typically consists of two units (a long and a synthetic short). The lead unit, which may be long or short, drives the position, and the secondary unit provides the hedge. The team manages the Fund with rigorous risk controls, establishing profit targets and stop-losses on all positions at the outset.

The strategy exhibits exceptionally low volatility. The fund also has good diversification properties, having very low correlation to other traditional asset classes

About Insight Investments

Insight Investment is a specialist asset manager at the forefront of designing investment solutions to meet our clients' needs. Launched in 2002, Insight is a leading asset manager across fixed income, liability driven investment, cash management, multi-asset, absolute return and specialist equity strategies. Insight is part of BNY Mellon Asset Management and a wholly owned subsidiary of The Bank of New York Mellon Corporation – one of the world's major financial services groups.

Warning: Past performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

Warning: If you invest in this product you may lose some or all the money you invest.

